

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF EQUITABLE)	
RESOURCES, INC. FOR AN ORDER)	CASE NO.
AUTHORIZING THE INCURRENCE OF)	97-110
INDEBTEDNESS UNDER A \$500,000,000)	
CREDIT AGREEMENT)	

O R D E R

On March 5, 1997, Equitable Gas Company ("Equitable"), a division of Equitable Resources, Inc. ("Equitable Resources"), filed an application seeking authority to issue indebtedness under a new \$500,000,000 revolving credit agreement having a maturity date of September 1, 2001. Equitable is subject to the jurisdiction of the Commission. However, as a division of Equitable Resources, it does not have a separate capital structure, and the securities are to be issued by Equitable Resources subject to the approval of this Commission.

The credit agreement would provide credit support for Equitable Resources' commercial paper. Equitable Resources would also be able to borrow money, on a revolving basis, for working capital, acquisitions or other significant capital expenditures. The new agreement contains more favorable terms and conditions than Equitable Resources' credit agreement previously approved by this Commission.¹ The new agreement would supersede and replace the agreement authorized in Case No. 95-035.

¹ Case No. 95-035, Application of Equitable Resources, Inc. for an Order Authorizing the Incurrence of Indebtedness under a \$500,000,000 Credit Agreement, Order dated June 27, 1995 and October 6, 1995.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that the issuance of indebtedness by Equitable Resources under a new \$500,000,000 unsecured revolving credit arrangement is for lawful objects within the corporate purposes of Equitable Resources' utility operations, is necessary and appropriate for and consistent with the proper performance of its service to the public, is reasonably necessary and appropriate for such purposes, and should therefore be approved.

IT IS THEREFORE ORDERED that:

1. Equitable Resources is authorized to enter into and issue indebtedness under a new \$500,000,000 revolving credit agreement having a maturity date of September 1, 2001 as set out in its application.
2. Equitable Resources shall agree only to such terms and prices that are consistent with the parameters set out in its application.
3. Equitable shall, within 30 days from the end of each calendar year, report the dates on which it withdrew funds under the agreement during the preceding calendar year and the amount, interest rate, use of the proceeds, and date of repayment of the funds withdrawn.
4. The proceeds from the transactions authorized herein shall be used only for the lawful purposes set out in the application.

Nothing contained herein shall be construed as a finding of value for any purpose or as a warranty on the part of the Commonwealth of Kentucky or any agency thereof as to the securities authorized herein.

Done at Frankfort, Kentucky, this 14th day of April, 1997.

PUBLIC SERVICE COMMISSION

Linda K. Breakitt
Chairman

Edw. J. G. [unclear]
Vice Chairman

B. J. Helton
Commissioner

ATTEST:

Don Mills
Executive Director